

# SENATE BILL 482

N1, C2

2lr2489  
CF 2lr2655

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By: **Senator Zirkin**

Introduced and read first time: February 2, 2012

Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Residential Real Estate – Transfer of Mortgage Servicing – Disclosure of**  
3 **Additional Information**

4 FOR the purpose of requiring a mortgage servicer to include in a certain written notice  
5 information on the interest rate and term of the mortgage loan, and additional  
6 information if the mortgage is an adjustable interest rate mortgage, when a  
7 mortgagor’s mortgage loan is transferred for servicing to the mortgage servicer;  
8 and generally relating to mortgage servicers.

9 BY repealing and reenacting, with amendments,  
10 Article – Commercial Law  
11 Section 13–316  
12 Annotated Code of Maryland  
13 (2005 Replacement Volume and 2011 Supplement)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
15 MARYLAND, That the Laws of Maryland read as follows:

16 **Article – Commercial Law**

17 13–316.

18 (a) (1) In this section the following terms have the meanings indicated.

19 (2) “Mortgage” includes a mortgage, deed of trust, security agreement,  
20 or other lien on 1 to 4 family residential real estate located in this State.

21 (3) “Servicer” means a person responsible for collection and payment  
22 of principal, interest, escrow, and other moneys under an original mortgage.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (b) Within 7 days of acquiring mortgage servicing, a servicer shall send to  
2 the mortgagor a written notice containing the following information regarding the  
3 mortgage on the date of transfer:

4 (1) The name, address, and telephone number of the new servicer and  
5 the address where mortgage payments are to be forwarded;

6 (2) The principal balance and escrow balance;

7 **(3) THE INTEREST RATE AND TERM OF THE LOAN;**

8 **(4) IF THE MORTGAGE IS AN ADJUSTABLE INTEREST RATE**  
9 **MORTGAGE:**

10 **(I) THE NEXT DATE THE INTEREST RATE IS SCHEDULED TO**  
11 **ADJUST; AND**

12 **(II) THE CALCULATIONS USED TO DETERMINE THE NEW**  
13 **ADJUSTED INTEREST RATE;**

14 ~~[(3)]~~ **(5)** The telephone number of the contact designated under  
15 subsection (c) of this section;

16 ~~[(4)]~~ **(6)** The responsibilities of the contact under subsection (c) of  
17 this section; and

18 ~~[(5)]~~ **(7)** A statement that the servicer's violation of this section will  
19 result in the servicer being held liable under subsection (e) of this section.

20 (c) (1) A servicer shall designate a contact to whom mortgagors may  
21 direct complaints and inquiries.

22 (2) The contact shall respond in writing to each written complaint or  
23 inquiry within 15 days if requested.

24 (d) A servicer shall make timely payments of the taxes or insurance  
25 premiums due under the mortgage so long as the mortgagor has paid an amount  
26 sufficient to pay the tax or insurance premium due and, with regard to the taxes, so  
27 long as the servicer is in possession of either the tax bill or notice from the taxing  
28 authority.

29 (e) (1) If a servicer fails to comply with any provision of this section, the  
30 servicer is liable for any economic damages caused by the violation.

31 (2) The penalties provided in this section are in addition to any other  
32 applicable remedies.

1           (f)     A servicer shall provide a toll-free telephone number through which any  
2 borrower residing in this State may direct telephone inquiries on outstanding loans  
3 during regular business hours.

4           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
5 October 1, 2012.